



General Assembly

February Session, 2002

Raised Bill No. 5712

LCO No. 2409

Referred to Committee on Environment

Introduced by:
(ENV)

AN ACT CONCERNING RENEWABLE ENERGY AND ENERGY CONSERVATION.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subdivision (26) of subsection (a) of section 16-1 of the
2 general statutes, as amended by section 7 of public act 01-204, is
3 repealed and the following is substituted in lieu thereof (*Effective July*
4 *1, 2002*):

5 (26) "Class I renewable energy source" means energy derived from
6 solar power, wind power, a fuel cell, methane gas from landfills, or a
7 biomass facility, including, but not limited to, a biomass gasification
8 plant that utilizes land clearing debris, tree stumps or other biomass
9 that regenerates or the use of which will not result in a depletion of
10 resources, provided such facility begins operating on or after July 1,
11 1998, except that electric production from a sustainable biomass facility
12 that exceeds the facility's three-year average electric production for the
13 period of 1995 to 1997, inclusive, may be considered a Class I
14 renewable energy source, provided the average emission rates for such
15 facility are equal to or less than 0.2 pounds of nitrogen oxides per
16 million BTU of heat input for the previous calendar quarter and 0.5

17 pounds of sulfur oxides per million BTU of heat input for the previous
18 calendar quarter and such biomass is cultivated and harvested in a
19 sustainable manner.

20 Sec. 2. Subsection (a) of section 16-1 of the general statutes, as
21 amended by section 1 of public act 01-49 and section 7 of public act 01-
22 204, is amended by adding subdivision (40) as follows (*Effective July 1,*
23 *2002*):

24 (NEW) (40) "Distributed generation" means the generation of
25 electricity on the premises of an end user within the transmission and
26 distribution system including fuel cells, microturbines, photovoltaic
27 systems or small wind turbines.

28 Sec. 3. Section 16-243h of the general statutes is repealed and the
29 following is substituted in lieu thereof (*Effective July 1, 2002*):

30 On and after January 1, 2000, each electric supplier, as defined in
31 section 16-1, as amended by this act, and any electric distribution
32 company providing, pursuant to section 16-244c, as amended by this
33 act, standard offer, default or back-up services, shall give a credit for
34 any electricity generated by a residential customer from a Class I
35 renewable energy source or a hydropower facility as described in
36 subdivision (27) of subsection (a) of section 16-1. The electric
37 distribution company providing electric distribution services to such a
38 customer shall make such interconnections necessary to accomplish
39 such purpose. An electric distribution company, at the request of any
40 residential customer served by such company and if necessary to
41 implement the provisions of this section, shall provide for the
42 installation of metering equipment that (1) measures electricity
43 consumed by such customer from the facilities of the electric
44 distribution company, (2) deducts from the measurement the amount
45 of electricity produced by the customer and not consumed by the
46 customer, and (3) registers, for each billing period, the net amount of
47 electricity either [(i)] (A) consumed and produced by the customer, or
48 [(ii)] (B) the net amount of electricity produced by the customer. A

49 residential customer who generates electricity from a generating unit
50 with a name plate capacity of more than ten kilowatts of electricity
51 pursuant to the provisions of this section shall be assessed for the
52 competitive transition assessment, pursuant to section 16-245g and the
53 systems benefits charge, pursuant to section 16-245l based on the
54 amount of electricity consumed by the customer from the facilities of
55 the electric distribution company without netting any electricity
56 produced by the customer. For purposes of this section, "residential
57 customer" means a customer of a single-family dwelling or
58 multifamily dwelling consisting of two to four units.

59 Sec. 4. Section 16-244c of the general statutes is amended by adding
60 subsection (g) as follows (*Effective July 1, 2002*):

61 (NEW) (g) An electric distribution company providing default
62 service in accordance with subsection (b) of this section or back-up
63 electric generation services in accordance with subsection (c) of this
64 section shall comply with the portfolio standards pursuant to section
65 16-245a, as amended by this act. Any such electric distribution
66 company that fails to comply with the portfolio standards when
67 renewable energy sources are available within the region specified in
68 section 16-245a, as amended by this act, shall be subject to civil
69 penalties by the Department of Public Utility Control in accordance
70 with section 16-41 and any such electric distribution company that
71 cannot comply with the portfolio standard, due to the unavailability of
72 renewable energy sources within such region shall make a payment to
73 the department to be allocated to the Renewable Energy Investment
74 Fund for the development of Class I renewable energy sources. The
75 department shall annually set a range of the amount of such payment
76 on a cent per kilowatt hour basis following a hearing that is conducted
77 as a contested case in accordance with chapter 54 which amount shall
78 be not less than the difference between the average market cost of
79 Class I renewable energy sources for the previous year and the electric
80 distribution company's rate for providing default service to the
81 customer class for which the electric distribution company charges its

82 lowest rate.

83 Sec. 5. Subsection (l) of section 16-245 of the general statutes is
84 repealed and the following is substituted in lieu thereof (*Effective*
85 *October 1, 2002*):

86 (l) Any person who fails to comply with a license condition or who
87 violates any provision of this section shall be subject to [sanctions] civil
88 penalties by the Department of Public Utility Control in accordance
89 with section 16-41, [which may include, but are not limited to,] or the
90 suspension or revocation of such license or a prohibition on accepting
91 new customers by the Department of Public Utility Control following a
92 hearing that is conducted as a contested case in accordance with
93 chapter 54 except that any person who cannot comply with the
94 portfolio standards in accordance with subsection (g) of this section
95 due to the unavailability of renewable energy sources within the
96 region specified in section 16-245a, as amended by this act, shall not be
97 subject to such penalties, suspension or revocation, but rather shall be
98 required to make a payment to the department to be allocated to the
99 Renewable Energy Investment Fund for the development of Class I
100 renewable energy sources. The department shall annually set a range
101 of the amount of such payment on a cent per kilowatt hour basis
102 following a hearing that is conducted as a contested case in accordance
103 with chapter 54 which amount shall be no less than the difference
104 between the average market cost of Class I renewable energy sources
105 for the previous year and such person's rate for providing electric
106 generation services to the customer class for which the person charges
107 its lowest rate.

108 Sec. 6. Section 16-245a of the general statutes is repealed and the
109 following is substituted in lieu thereof (*Effective October 1, 2002*):

110 (a) [To be licensed under section 16-245, an applicant for a license]
111 An electric supplier and an electric distribution company providing,
112 pursuant to section 16-244c, as amended by this act, default service or
113 back-up generation service shall demonstrate to the satisfaction of the

114 Department of Public Utility Control that not less than one-half of one
115 per cent of its total electricity output or services shall be generated
116 from Class I renewable energy sources and an additional five and one-
117 half per cent of the total output or services shall be from Class I or
118 Class II renewable energy sources. On and after July 1, [2001] 2003, not
119 less than three-fourths of one per cent of the total output or services of
120 any such supplier or distribution company shall be generated from
121 Class I renewable energy sources and an additional five and one-half
122 per cent of [the total] such output or services shall be from Class I or
123 Class II renewable energy sources. On and after July 1, [2002] 2004, not
124 less than one per cent of such output or services shall be generated
125 from Class I renewable energy sources and an additional [five and
126 one-half] six per cent of [the total] such output or services shall be from
127 Class I or Class II renewable energy sources. On and after July 1, [2003]
128 2005, not less than one and one-half per cent of such output or services
129 shall be generated from Class I renewable energy sources and an
130 additional [five and one-half] six per cent of [the total] such output or
131 services shall be from Class I or Class II renewable energy sources. On
132 and after July 1, [2004] 2006, not less than two per cent of [the total
133 output of any such supplier] such output or services shall be generated
134 from Class I renewable energy sources and an additional six per cent
135 of [the total] such output or services shall be from Class I or Class II
136 renewable energy sources. On and after July 1, [2005] 2007, not less
137 than two and one-half per cent of [the total output of any such
138 supplier] such output or services shall be generated from Class I
139 renewable energy sources and an additional six per cent of [the total]
140 such output or services shall be from Class I or Class II renewable
141 energy sources. On and after July 1, [2006] 2008, not less than three per
142 cent of [the total output of any such supplier] such output or services
143 shall be generated from Class I renewable energy sources and an
144 additional six per cent of [the total] such output or services shall be
145 from Class I or Class II renewable energy sources. On and after July 1,
146 [2007] 2009, not less than four per cent of [the total output of any such
147 supplier] such output or services shall be generated from Class I

148 renewable energy sources and an additional [six] seven per cent of [the
149 total] such output or services shall be from Class I or Class II
150 renewable energy sources. On and after July 1, [2008] 2010, not less
151 than five per cent of [the total output of any such supplier] such output
152 or services shall be generated from Class I renewable energy sources
153 and an additional [six] seven per cent of [the total] such output or
154 services shall be from Class I or Class II renewable energy sources. On
155 and after July 1, [2009] 2011, not less than six per cent of [the total
156 output of any such supplier] such output or services shall be generated
157 from Class I renewable energy sources and an additional seven per
158 cent of [the total] such output or services shall be from Class I or Class
159 II renewable energy sources. An electric supplier or electric
160 distribution company providing, pursuant to section 16-244c, as
161 amended by this act, default service or back-up generation service may
162 satisfy the requirements of this subsection by purchasing Class I or
163 Class II renewable energy sources within the jurisdiction of the
164 regional independent system operator, the New York Independent
165 System Operator, or its successor organization as approved by the
166 Federal Energy Regulatory Commission, or the PJM Interconnection,
167 LLC, or its successor organization as approved by the Federal Energy
168 Regulatory Commission or by participating in a renewable energy
169 trading program within said jurisdictions as approved by the [state]
170 Department of Public Utility Control. Any supplier who provides
171 electric generation services solely from a Class II renewable energy
172 source shall not be required to comply with the provisions of this
173 section.

174 (b) An [applicant's demonstration] electric supplier or an electric
175 distribution company providing, pursuant to section 16-244c, as
176 amended by this act, default service or back-up generation service
177 shall base its demonstration of generation sources, as required under
178 subsection (a) of this section [, shall be based] on historical data, which
179 may consist of data filed with the regional independent system
180 operator.

181 (c) A supplier or an electric distribution company providing,
182 pursuant to section 16-244c, as amended by this act, default or back-up
183 generation service may true up its generation service portfolio within
184 the first three months of a calendar year accordingly to meet the
185 generation source requirements of subsection (a) of this section for the
186 previous year.

187 ~~[(c)]~~ (d) The department [may] shall adopt regulations pursuant to
188 chapter 54 to implement the provisions of this section.

189 Sec. 7. Subsection (a) of section 16-245m of the general statutes is
190 repealed and the following is substituted in lieu thereof (*Effective July*
191 *1, 2002*):

192 (a) On and after January 1, 2000, the Department of Public Utility
193 Control shall assess or cause to be assessed a charge of [three] two and
194 three quarters mills per kilowatt hour of electricity sold to each end
195 use customer of an electric distribution company to be used to
196 implement the program as provided in this section for conservation
197 and load management programs but not for the amortization of costs
198 incurred prior to July 1, 1997, for such conservation and load
199 management programs.

200 Sec. 8. Subsection (d) of section 16-245m of the general statutes is
201 repealed and the following is substituted in lieu thereof (*Effective*
202 *October 1, 2002*):

203 (d) (1) The Energy Conservation Management Board shall advise
204 and assist the electric distribution companies in the development and
205 implementation of a comprehensive plan, which plan shall be
206 approved by the Department of Public Utility Control, to implement
207 cost-effective energy conservation programs and market
208 transformation initiatives. Each program contained in the plan shall be
209 reviewed by the electric distribution company and either accepted or
210 rejected by the Energy Conservation Management Board prior to
211 submission to the department for approval.

212 (2) Programs included in the plan shall be screened through cost-
 213 effectiveness testing which compares the value and payback period of
 214 program benefits to program costs to ensure that programs are
 215 designed to obtain energy savings whose value is greater than the
 216 costs of the programs. Program cost-effectiveness shall be reviewed
 217 annually, or otherwise as is practicable. If a program is determined to
 218 fail the cost-effectiveness test as part of the review process, it shall
 219 either be modified to meet the test or shall be terminated. On or before
 220 January 31, 2001, and annually thereafter until January 31, 2006, the
 221 board shall provide a report to the joint standing committees of the
 222 General Assembly having cognizance of matters relating to energy and
 223 the environment which documents expenditures, fund balances and
 224 evaluates the cost-effectiveness of such programs conducted in the
 225 preceding year.

226 (3) [Such programs] Programs included in the plan may include, but
 227 not be limited to: [(1)] (A) Conservation and load management
 228 programs; [(2)] (B) research, development and commercialization of
 229 products or processes which are more energy-efficient than those
 230 generally available; [(3)] (C) development of markets for such products
 231 and processes; [(4)] (D) support for energy use assessment, engineering
 232 studies and services related to new construction or major building
 233 renovation; [(5)] (E) the design, manufacture, commercialization and
 234 purchase of energy-efficient appliances and heating, air conditioning
 235 and lighting devices; [(6)] (F) program planning and evaluation; and
 236 [(7)] (G) public education regarding conservation. Such support may
 237 be by direct funding, manufacturers' rebates, sale price and loan
 238 subsidies, leases and promotional and educational activities. Any other
 239 expenditure by the collaborative shall be limited to retention of expert
 240 consultants and reasonable administrative costs provided such
 241 consultants shall not be employed by, or have any contractual
 242 relationship with, an electric distribution company. Such costs shall
 243 not exceed five per cent of the total revenue collected from the
 244 assessment.

245 Sec. 9. Subsection (b) of section 16-245n of the general statutes is
246 repealed and the following is substituted in lieu thereof (*Effective July*
247 *1, 2002*):

248 (b) On and after January 1, 2000, the Department of Public Utility
249 Control shall assess or cause to be assessed a charge of not less than
250 one-half of one mill per kilowatt hour charged to each end use
251 customer of electric services in this state which shall be deposited into
252 the Renewable Energy Investment Fund established under subsection
253 (b) of this section. On and after July 1, 2002, such charge shall be [three-
254 quarters of] one mill and on and after July 1, 2004, such charge shall be
255 one and one-quarter mill.

256 Sec. 10. Subsection (d) of section 16-245n of the general statutes is
257 repealed and the following is substituted in lieu thereof (*Effective*
258 *October 1, 2002*):

259 (d) The chairperson of the board of directors of Connecticut
260 Innovations, Incorporated, shall convene a Renewable Energy
261 Investments Advisory Committee to assist Connecticut Innovations,
262 Incorporated, in matters related to the Renewable Energy Investment
263 Fund, including, but not limited to, development of a comprehensive
264 plan and expenditure of funds. The advisory committee shall include
265 not more than twelve individuals with knowledge and experience in
266 matters related to the purpose and activities of said fund. The advisory
267 committee shall consist of the following members: (1) One person with
268 expertise regarding renewable energy resources or renewable energy
269 policy appointed by the speaker of the House of Representatives; (2)
270 one person representing a state or regional organization primarily
271 concerned with environmental protection appointed by the president
272 pro tempore of the Senate; (3) one person with experience in business
273 or commercial investments appointed by the majority leader of the
274 House of Representatives; (4) one person representing a state or
275 regional organization primarily concerned with environmental
276 protection appointed by the majority leader of the Senate; (5) one

277 person with experience in business or commercial investments
 278 appointed by the minority leader of the House of Representatives; (6)
 279 one person with experience in business or commercial investments
 280 appointed by the minority leader of the Senate; (7) two state officials
 281 with experience in matters relating to energy policy and one person
 282 with expertise regarding renewable energy resources appointed by the
 283 Governor; and (8) three persons with experience in business or
 284 commercial investments appointed by the board of directors of
 285 Connecticut Innovations, Incorporated. The advisory committee shall
 286 issue annually a report to such chairperson reviewing the activities of
 287 the fund in detail and shall provide a copy of such report to the joint
 288 standing committee of the General Assembly having cognizance of
 289 matters relating to energy.

290 Sec. 11. Section 16-245p of the general statutes is repealed and the
 291 following is substituted in lieu thereof (*Effective January 1, 2004*):

292 (a) [Upon being issued a license pursuant to section 16-245, an] An
 293 electric supplier and an electric distribution company providing,
 294 pursuant to section 16-244c, as amended by this act, default service or
 295 back-up generation service shall submit information to the Department
 296 of Public Utility Control that the department, after consultation with
 297 the Consumer Education Advisory Council, established under section
 298 16-244d, determines will assist customers in making informed
 299 decisions when choosing an electric supplier, including, but not
 300 limited to, the information provided in subsection (b) of this section.
 301 Each supplier or electric distribution company providing, pursuant to
 302 section 16-244c, as amended by this act, default service or back-up
 303 generation service shall submit, on a form prescribed by the
 304 department, quarterly reports containing information on rates and any
 305 other information the department deems relevant, including, but not
 306 limited to, any change in the information as required by the
 307 department. After the department has received the information
 308 required pursuant to this subsection, the supplier shall be eligible to
 309 receive customer marketing information from electric or electric

310 distribution companies, as provided in section 16-245o, as amended by
 311 this act.

312 (b) The Department of Public Utility Control shall maintain and
 313 make available to customers upon request, a list of electric aggregators
 314 and the following information about each electric supplier, as defined
 315 in section 16-1, as amended by this act, and each electric distribution
 316 company providing, pursuant to section 16-244c, as amended by this
 317 act, default service or back-up generation service: (1) Rates and
 318 charges; [provided by an electric supplier;] (2) applicable terms and
 319 conditions of a contract for electric generation services; [provided by
 320 an electric supplier;] (3) the percentage of [each supplier's] the total
 321 electric output derived from each of the categories of energy sources
 322 provided in subsection (e) of section 16-244d, the rates at which each
 323 facility operated by or under long-term contract to the electric supplier
 324 or providing generation services to an electric distribution company
 325 providing, pursuant to section 16-244c, as amended by this act, default
 326 service or back-up generation service emits nitrogen oxides, sulfur
 327 oxides, carbon dioxide, carbon monoxide, particulates, heavy metals
 328 and other wastes the disposal of which is regulated under state or
 329 federal law, and the analysis of the environmental characteristics of
 330 each such category of energy source prepared pursuant to subsection
 331 (e) of said section 16-244d and to the extent such information is
 332 unknown, the estimated percentage of the [electric supplier's] total
 333 electric output for which such information is unknown, along with the
 334 word "unknown" for that percentage; (4) a record of customer
 335 complaints and the disposition of each complaint; and (5) any other
 336 information the department determines will assist customers in
 337 making informed decisions when choosing an electric supplier. The
 338 department shall update the information at least quarterly. The
 339 department shall put such information in a standard format so that a
 340 customer can readily understand and compare the services provided
 341 by each electric supplier.

342 Sec. 12. (*Effective July 1, 2002*) The Department of Public Utility

343 Control shall, within available resources, conduct a study that
 344 examines different means to encourage end users of electricity to
 345 conserve electricity, including, but not limited to, the use of enhanced
 346 time-of-day metering or seasonal rates. Not later than January 1, 2003,
 347 the department shall submit a report on its findings and
 348 recommendations to the joint standing committee of the General
 349 Assembly having cognizance of matters relating to energy, in
 350 accordance with the provisions of section 11-4a of the general statutes.

351 Sec. 13. (*Effective from passage*) Notwithstanding the provisions of
 352 section 13 of public act 01-9 of the June special session, the Department
 353 of Public Utility Control shall not authorize any further disbursements
 354 from the Energy Conservation and Load Management Funds to the
 355 General Fund. Any such disbursed funds that are unencumbered or
 356 not allotted on the effective date of this act shall be returned to said
 357 department and deposited in the Energy Conservation and Load
 358 Management Funds in the same proportion in which such funds were
 359 disbursed.

360 Sec. 14. (*Effective July 1, 2002*) Section 16-6c of the general statutes is
 361 repealed.

This act shall take effect as follows:	
Section 1	<i>July 1, 2002</i>
Sec. 2	<i>July 1, 2002</i>
Sec. 3	<i>July 1, 2002</i>
Sec. 4	<i>July 1, 2002</i>
Sec. 5	<i>October 1, 2002</i>
Sec. 6	<i>October 1, 2002</i>
Sec. 7	<i>July 1, 2002</i>
Sec. 8	<i>October 1, 2002</i>
Sec. 9	<i>July 1, 2002</i>
Sec. 10	<i>October 1, 2002</i>
Sec. 11	<i>January 1, 2004</i>
Sec. 12	<i>July 1, 2002</i>
Sec. 13	<i>from passage</i>

Sec. 14	<i>July 1, 2002</i>
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Statement of Purpose:

To update the provisions of public act 98-28 to promote the conservation of electricity and the greater use of renewable energy sources.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]